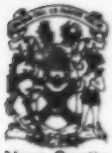

ANNUAL REPORT

for the fiscal year
ending March 31, 1989

Nova Scotia Lottery Commission

90-06147/

His Honour
The Honourable Lloyd R. Crouse, P.C.
Lieutenant-Governor of the
Province of Nova Scotia
Government House
Halifax, Nova Scotia

Dear Sir:

I have the honour to transmit herewith the Annual Report of the Nova Scotia Lottery Commission for the fiscal year ended March 31, 1989.

I am, Your Honour,

Yours sincerely,

Greg Kerr

Greg Kerr
Minister

The Honourable Greg Kerr
Minister in Charge of
Administration of
The Lottery Act
Province of Nova Scotia
Halifax, Nova Scotia

Dear Sir:

Presented herewith in accordance with Section 15(1) of The Lottery Act, 1976, c.14, s.1, is the Annual Report of the Nova Scotia Lottery Commission for the year ending March 31, 1989.

Respectfully submitted,

D.T. Tobin, C.A.
Chairman

CHAIRMAN'S REPORT

I am pleased to report that revenues generated from the Nova Scotia Lottery industry increased approximately $4.6 million during the fiscal year ending March 31, 1989.

Transfers from the Atlantic Lottery Corporation to Nova Scotia totalled $30,589,345 for this period, compared to $26,141,768 for the previous year. Revenues from the Lottery Licensing Division of the Nova Scotia Lottery Commission realized approximately $1.5 million for the same period.

The Atlantic Lottery Corporation, a joint partnership of Nova Scotia, Prince Edward Island, New Brunswick, and Newfoundland, was established in the region to conduct and manage lottery schemes as a revenue source for the provincial governments to offset the cost of various programs and services.

Currently Mr. Louis Stephen, Deputy Minister of Housing and I represent the province on the Atlantic Lottery Corporation Board of Directors.

During the year the Commission issued 2,361 lottery permits (authorization to award prizes under $150) and 2,359 lottery licences (prizes over $150) to charitable, religious, and community organizations to conduct ticket draws, games of chance, and bingos.

Casinos for entertainment and fund-raising purposes continued to be authorized by the Commission provided a number of conditions and a special format are followed.

The breakopen ticket program introduced two years ago continues to expand with additional charitable groups being licensed to participate in this fund raising scheme. During the 1989 fiscal year 146 groups were licensed and a total of 2,857 units sold. This netted the various volunteer non-profit organizations $628,540.

The government's Bonus Commission Program generated additional revenue of $309,163 for sport, recreation, cultural, and exhibition associations selling the Atlantic Lottery Corporation's Auto Plus and Provincial tickets.

New lottery regulations that consolidate existing Commission policies and terms and conditions imposed on licences are in the final drafting stages and will be introduced next year. The new regulatory regime will clarify the rules pertaining to lotteries and will provide charitable groups a clearer interpretation of their legal requirements.

The following pages contain the audited financial statements of the Nova Scotia Lottery Commission for the fiscal year ended March 31, 1989.

Respectfully Submitted

D.T. Tobin, C.A.
Chairman

AUDITOR'S REPORT

To the Chairman and Members of the
Nova Scotia Lottery Commission; and

To the Minister of Finance

I have examined the balance sheet of the Nova Scotia Lottery Commission as at March 31, 1989 and the statement of revenues and expenses for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1989 and the results of its operations for the year then ended in accordance with the accounting policies set out in Note 2 of the financial statements, applied on a basis consistent with that of the previous year.

O.P. Cormier, F.C.A.
Auditor General

Halifax, Nova Scotia
September 15, 1989

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA LOTTERY COMMISSION
BALANCE SHEET AS AT MARCH 31, 1989

ASSETS

	1989	1988
Current		
Cash	$ 10,181	$ 29,036
Due from Atlantic Lottery Corporation Inc.	2,105,541	2,311,602
	2,115,722	2,340,638
Long-term		
Due from Atlantic Lottery Corporation Inc.	448,195	1,294,344
Investment in Interprovincial Lottery Corporation, at cost (Note 3)	1	1
	448,196	1,294,345
	$2,563,918	$3,634,983

LIABILITIES AND EQUITY

Current		
Accounts payable	$ 394,347	$ 326,648
Commissions payable	64,125	99,405
Due to Province of Nova Scotia (Note 4)	1,657,251	1,914,586
	2,115,723	2,340,639
Equity		
Fixed assets of Atlantic Lottery Corporation Inc.	448,195	1,294,344
	$2,563,918	$3,634,983

APPROVED ON BEHALF OF THE BOARD

Chairman Member

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA LOTTERY COMMISSION
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 1989

	1989	1988
Revenues		
Income from Atlantic Lottery Corporation Inc.	$30,589,345	$26,141,768
Income from lottery licences	1,496,726	1,298,206
Interest on short-term deposits	2,172	14,058
	32,088,243	27,454,032
Expenses		
Commissions on ticket sales	308,922	343,188
Miscellaneous	2,112	2,857
Motor vehicle expenses	18,591	19,951
Office equipment	10,285	7,024
Postage	8,401	6,076
Property and occupancy tax	1,413	744
Rent	18,162	18,741
Salaries and employees' benefits	291,538	231,142
Supplies	11,637	6,365
Telephone	8,757	6,018
Travel	24,034	28,022
	703,852	670,128
Excess of revenues over expenses	$31,384,391	$26,783,904

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA LOTTERY COMMISSION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1989

1. **Authority**

The Nova Scotia Lottery Commission was established under the Lottery Act proclaimed in 1976. The purpose of the Commission is to develop, organize, undertake, conduct and manage lottery schemes on behalf of the Province of Nova Scotia, or on behalf of the Province of Nova Scotia and other provinces that have an agreement with Nova Scotia respecting any such lottery schemes.

2. **Accounting Policy**

These financial statements have been prepared in accordance with generally accepted accounting principles modified by the policy of charging equipment purchases to expense in the year of acquisition.

3. **Interprovincial Lottery Corporation**

The Interprovincial Lottery Corporation was created by the provinces to administer national lotteries. The Nova Scotia Lottery Commission holds one share in this Corporation on behalf of the Province of Nova Scotia.

4. **Due to Province of Nova Scotia**

	1989	1988
Balance, beginning of year	$ 1,914,586	$ 1,527,888
Add: Excess of revenues over expenses	31,384,391	26,783,904
	33,298,977	28,311,792
Less: Payments to the Province	30,145,000	25,099,000
Income from lottery licences collected directly by the Province	1,496,726	1,298,206
	31,641,726	26,397,206
Balance, end of year	$ 1,657,251	$ 1,914,586

5. Comparative Figures

Certain prior years' comparative figures have been reclassified to conform with the presentation adopted for the current year.